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STATE PASS USTR FOR AUSTR BWEISEL, JJENSEN, AND JMCHALE
COMMERCE FOR JBAKER

E.O. 12958: N/A

TAGS: [ECPS](#) [EIND](#) [EINV](#) [ETRD](#) [SN](#)

SUBJECT: TELECOM - MINISTER DENIES SINGTEL'S APPEAL ON LOCAL
LEASE CIRCUITS

REFS: A) SINGAPORE 1119 B) SINGAPORE 1205 C) 2005 SINGAPORE 3593

¶1. (U) Minister for Information, Communications and the Arts Lee Boon Yang on May 23 announced his decision to uphold the telecom regulator's requirement that dominant carrier SingTel provide competitors access to its local leased ("last mile") circuits (LLCs) at cost-based rates using an open-standard interface. The decision came in response to an appeal that SingTel made to Minister Lee shortly after the Infocommunications Development Authority (IDA) issued its October 19, 2005 decision directing SingTel to offer multiplexed "tail" LLCs using one of two technical interface options. The Minister's decision may be viewed at:

¶2. (SBU) Although the Minister's decision marks a partial victory for U.S. telecom operators, industry remains skeptical about its ability to take full advantage of these provisions. Of particular concern is SingTel's required 30-day lead time for purchasing "tie-cables," an important component for proper LLC interconnection to local exchanges. SingTel proposed this and other new implementing regulations in its amended Reference Interconnection Offer (RIO) that it submitted to IDA late last year in response to the October decision. In combination with the requirement to pre-order tie-cables, the absence of high-speed multiplexing options in SingTel's RIO creates significant procurement difficulties for other carriers (ref C).

¶3. (SBU) Limited to only low-speed options, industry sources tell us that a telecom operator wanting to support a customer base of 1,000 end-users, for example, would need to pre-order between 250 and 1,000 tie-cables for a particular point of interconnection; this same customer base could be supported with only a handful of tie-cables if high-speed options were available. (Note: SingTel itself reportedly uses higher-speed options, but does not make these available to competitors. End note.)

¶4. (SBU) At least one U.S. carrier recently filed a reconsideration request with IDA asking that it provide a solution to the tie-cable/low speed multiplexing issue. This same carrier expects that, if IDA issues a favorable ruling, SingTel will appeal the decision. (Note: IDA first mandated wholesale pricing for LLCs in December 2003; SingTel has repeatedly requested stays or appealed LLC-related decisions in order to delay fulfilling its obligations. In addition to requesting stays of decisions from IDA, SingTel can, under current regulation, make "private" appeals to the Minister, i.e., ones not made available to other interested parties. End Note.)

Comment

15. (SBU) In our meetings with Singapore officials, USTR and Post have repeatedly urged the GOS to fulfill its telecom commitments under our bilateral Free Trade Agreement and to implement a more transparent appeals and rule-making process. While we are encouraged by the Minister's most recent decision, we will continue to underscore the need for Singapore to further liberalize its telecom sector. As we have noted in our discussions with the GOS, a good place to start would be for Singapore to allow higher-speed access and interconnection at tandem exchanges comparable to what is offered SingTel and other carriers operating in the United States under the Special Access program.

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